



October 15, 2019

APR to Get Boost from RGE Group Investment in Textile Fibre R&D

The Royal Golden Eagle (RGE) Group announced its plans to invest USD200 million over the next 10 years into cellulosic textile fibre research and development. About 70% of the planned investment will go to scaling-up proven clean technology in fibre manufacturing.

The investment is a boost for Asia Pacific Rayon (APR), the first fully integrated viscose rayon producer in Asia and part of RGE Group. With an annual production capacity of 240,000 tonnes of viscose fibre, APR aims to be the largest single-location manufacturer of viscose-rayon and a leader in the production of high quality viscose fibre.

APR produces versatile viscose rayon that can be applied to apparel, home textiles and technical textiles is made from natural wood cellulose sourced from sustainably managed plantations.

“RGE’s investment will help APR further support the development of Indonesia’s textile industry by reducing its dependence on cotton and viscose imports. This is in line with the country’s ‘Making Indonesia 4.0’ roadmap which prioritises the development of five manufacturing sectors including textiles to boost exports and GDP” said Basrie Kamba, APR Director.

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NEWS RELEASE

RGE Commits US\$200 Million to Next-Generation Textile Fibre Innovation and Technology

- *New commitment is an important element in group’s strategic business direction towards closed-loop, circular and climate-positive cellulosic fibres*
- *Investment will focus on alternative cellulose feedstock and clean manufacturing solutions deployable at industrial scale*
- *Comprehensive cooperation with key industry partners will promote progress towards broader goals*

SINGAPORE, 15 October 2019 – Leading resource-based manufacturing group Royal Golden Eagle (RGE) has announced plans to invest US\$200 million over the next 10 years into cellulosic textile fibre research and development.

The investment, revealed ahead of the Textile Exchange Sustainability Conference in Vancouver, will support solutions in alternative cellulose or plant-based feedstock and closed-loop manufacturing. The target allocation for the investment is 70:20:10 in three areas, respectively: scaling up proven clean technology in fibre manufacturing, bringing pilot scale production to commercial scale, and R&D in emerging frontier solutions.

Bey Soo Kiang, Vice Chairman of RGE, said: “This is a strategic business growth area for RGE. Our integrated portfolio of companies across pulp, fibre and yarn production puts us in

a unique upstream position in the textile value chain to realise commercial scale and affordable solutions that support downstream manufacturers and brands. We aspire not just to be the largest viscose producer but also to be a leader in sustainable textile fibre production through innovation.”

Through its business groups Sateri in China and Asia Pacific Rayon (APR) in Indonesia, Singapore-based RGE is the world’s largest viscose producer with a total annual production capacity at 1.4 million tonnes. Sateri and APR source wood-based dissolving pulp from sustainably managed renewable plantations in Indonesia and Brazil through RGE-managed companies, APRIL and Bracell.

Allen Zhang, President of Sateri, said: “Sateri is proud to be part of this long-term commitment that RGE has made. We look forward to supporting and scaling up solutions that can help Sateri produce even more sustainably and deliver high quality and affordable products to our customers”. Ben Poon, Deputy Head of APR, added, “This commitment responds to two pressing environmental challenges facing the textile industry: increase in demand for both synthetic and natural fibres for textile production and increase in textile waste. Recycled textile waste as a feedstock tackles both issues simultaneously.”

Through partnerships with innovators and in-house research and development, several initiatives are already underway. In August 2019, RGE invested in Finnish start-up Infinited Fiber Company (IFC) to scale up its technology. A 500-ton pre-commercial plant in Finland and customer training centre will be ready by early 2020. “Infinited Fiber technology fits perfectly in RGE’s shift for using alternative feedstocks. Our ability to use a diverse range of feedstock, especially mixed textile fibres, is a technological breakthrough, and as RGE’s strategic partner we look forward to support their change,” said Petri Alava, CEO of IFC.

In May this year, an MoU was signed with re:newcell for technical cooperation and trials on production of viscose using recycled cotton, with the aim of industrial scale production by 2025. “We are very happy about adding Sateri, a world-leading fibre producer, to our group of validation partners for scaling up circular raw materials for fashion. Cooperation between many actors in the value chain is crucial to achieve significant positive impact in this industry,” said Patrik Lundström, CEO at re:newcell.

RGE has also commenced partnership discussions with Fashion for Good, whose Innovation Platform is, at the core of its efforts, focused on sparking and scaling technologies and business models that have the greatest potential to transform the fashion industry. “As the world’s largest viscose producer, RGE is uniquely positioned to implement and scale our innovator’s solutions across its global portfolio. There is a huge opportunity to innovate in the area of next-generation fibre solutions. The potential for change is enormous,” said Katrin Ley, Managing Director, Fashion for Good.

In addition, RGE’s in-house R&D teams conduct research on alternative cellulosic feedstock, such as agricultural waste and recycled cotton, as well as closed-loop manufacturing for viscose production, in collaboration with leading universities and global R&D centres.

Sally Uren, Chief Executive of Forum for the Future, said: “Next-generation solutions have real potential to make a significant contribution to the realisation of a circular economy for fashion and the broader textile sector. We hear far and wide that people want ‘systems change, not climate change’. Allocating investment to accelerate the scaling of solutions into the mainstream is an important lever to pull for systems change. We need more such commitments of investment to help today’s niche sustainability innovators become the number one partners of choice.”

ABOUT RGE

RGE Pte Ltd manages a group of resource-based manufacturing companies with global operations. Our work ranges from the upstream, comprising sustainable resource development and harvesting, to downstream, where our companies create diverse value-added products for the global market. Our commitment to sustainable development underpins our operations, as we strive towards what is good for the community, good for the country, good for climate, good for customer, and good for company. RGE was founded in 1973. The assets held by RGE companies today exceed US\$20 billion. With more than 60,000 employees, we have operations in Indonesia, China, Brazil, Spain and Canada and continue to expand to engage newer markets and communities.

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